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# A BILL FOR AN ACT

RELATING TO AGRICULTURE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that over the last  
2 several decades, the State and the private sector have searched  
3 for ways to reduce or eliminate food and solid waste products,  
4 construction waste, and recycling materials. The agribusiness  
5 development corporation is currently involved in a public-  
6 private partnership to develop a zero waste conversion process  
7 on the island of Hawaii converting papaya waste into fuel and  
8 animal feed. The zero waste process utilizes every state of the  
9 papaya plant, from seed to fruit, to reduce the amount of food  
10 waste that is delivered to landfills while producing renewable  
11 bioenergy fuel.

12           The legislature further finds that livestock feed costs for  
13 feed shipped to Hawaii for local agriculturalists and  
14 aquaculturalists often exceed sixty per cent of overall  
15 livestock production costs in Hawaii. The agribusiness  
16 development corporation seeks to broaden its waste-reduction and  
17 recycling projects by partnering with a viable and qualified



1 entity to establish a livestock feed mill operation using waste  
2 materials, such as unusable macadamia nut fruit and shells, and  
3 converting the unusable parts and byproducts into aquaculture  
4 and livestock feed. This process has shown great promise in  
5 farm trials. The agribusiness development corporation will  
6 assist with the development of the plans and design of the  
7 operation, and will purchase the equipment to convert and  
8 process the waste materials. The project partners will be  
9 required to have adequate warehouse space to house the equipment  
10 and be required to provide the labor for the manufacture and  
11 sale of the resulting product.

12 The purpose of this part is to further the State's goals of  
13 reducing waste, reducing livestock production costs, and  
14 producing animal livestock feed within the State to enable  
15 agriculture and aquaculture operations in the State to thrive by  
16 funding the planning, designing, and construction of a livestock  
17 feed mill.

18 SECTION 2. The director of finance is authorized to issue  
19 general obligation bonds in the sum of \$4,000,000 or so much  
20 thereof as may be necessary and the same sum or so much thereof  
21 as may be necessary is appropriated for fiscal year 2018-2019



1 for the purpose of planning, designing, and constructing a  
2 livestock feed mill.

3 The sum appropriated shall be expended by the agribusiness  
4 development corporation for the purpose of this part.

5 SECTION 3. The appropriation made for the capital  
6 improvement project authorized by this part shall not lapse at  
7 the end of the fiscal biennium for which the appropriation is  
8 made; provided that all moneys from the appropriation  
9 unencumbered as of June 30, 2020, shall lapse as of that date.

10 SECTION 4. Any law to the contrary notwithstanding, the  
11 following appropriations under section 47 of Act 119, Session  
12 Laws of Hawaii 2015, as amended by Act 124, Session Laws of  
13 Hawaii 2016, and Acts 29 and 49, Session Laws of Hawaii 2017, in  
14 the amounts indicated or balances thereof, unallotted, allotted,  
15 unencumbered, or encumbered and unrequired, are hereby lapsed:

16	Item No.	Amount	(MOF)
17	A.8.02	\$4,000,000	C
18	A.8.05	\$950,000	C

19 SECTION 5. This Act shall take effect on July 1, 2018.



**Report Title:**

Agriculture; DOA; Agribusiness Development Corporation;  
Livestock Feed Mill Operation; Capital Improvement Projects;  
Appropriation; GO Bonds

**Description:**

Authorizes the issuance of GO bonds and appropriates funds for the planning, designing, and construction of a livestock feed mill. Lapses earlier appropriations for a livestock feed mill and waste stream recycling facility on the island of Oahu.

(SD2)

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